



Wisconsin Compensation Rating Bureau

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Located at 20700 Swenson Drive, Suite 100, Waukesha, WI 53186

CIRCULAR LETTER 2982 – MARCH 24, 2006

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: MEMBERS OF THE BUREAU

Minutes of the Wisconsin Rating Committee meeting called to convene in the premises of the Wisconsin Compensation Rating Bureau, 20700 Swenson Drive, Waukesha, WI 53186 on Tuesday, March 14, 2006. The meeting was called to order at 9:30 AM with the following members present:

ORGANIZATION

Employers Insurance of Wausau, Chair
Allied Construction Employers Association
Employers Mutual Casualty Company
Sentry Insurance A Mutual Company
Society Insurance A Mutual Company
Travelers Insurance Company
United Wisconsin Insurance Company
Wisconsin Manufacturers & Commerce
Wisconsin Compensation Rating Bureau

REPRESENTATIVE

Steve Ginsburg
Ed Hayden
Jim Pousha
Ellen Altenburg-Wadel
Chad Thurn
Bruce Kaufenberg
Paul Hingtgen
John Metcalf
Ralph Herrmann
Richard Colvin
Nancy Kierzek
Tad Cleveland
Donna Knepper

Members Absent or Excused:

Continental Casualty Insurance Company
General Casualty Insurance Company

Also Present:

AIG
Acuity Insurance
AmComp
Fireman’s Fund Insurance Company

Jerry Korbel
Craig Snyder
Debbie Towler
Ken Blake
Kurtis Patterson

CIRCULAR LETTER 2982 – MARCH 24, 2006 – PAGE 2

Integrity Mutual Insurance
Middlesex Insurance Company
Office of the Commissioner of Insurance
R & R Insurance
Riegel Law, S.C.
Secura Insurance
NAPEO

NCCI
Tri State Insurance of MN
West Bend Mutual Insurance

Gary Anderson
Sandy Knoll
Laura Andreasson
Nancy McMurry
Paul Riegel
Phil Biwan
Todd Cohn
Michael Brozck
Joe Volman
Judy Baldus
Pam Allison
Scott Carmack

The Chairperson read the following opening statement before convening the meeting:

“This Committee meeting has been called to discuss the items of mutual interest and concern to the members of the Wisconsin Compensation Rating Bureau. In accordance with both Federal and Wisconsin State Anti-trust Laws, this Committee is prohibited from any discussion or action which constitutes any form of boycott, coercion, or intimidation.”

UNFINISHED BUSINESS

ITEM NUMBER 3748 CONTRACTOR PREMIUM ADJUSTMENT PROGRAM

Tad Cleveland provided an update of the Wisconsin Contractor's Premium Adjustment Credit Program. For the latest WCPAP period, beginning July 1, 2005, the WCRB has mailed 24,157 applications. This number represents all policies containing a contracting classification with an effective date July through December. The resulting average credit of 4% comes from 5,207 applications processed with effective dates July through March.

The Committee also was reminded that the program sunsets on July 1, 2007. A preliminary review will be prepared by Milliman Inc.

ITEM NUMBER 3852 WWCIP SURPLUS REPORT

This item is continued as a reminder to provide an update in December.

WCRB will continue to monitor Pool activity and may provide additional information prior to the December meeting.

ITEM NUMBER 3870 NCCI PROPOSAL ITEM B-1393 MISCELLANEOUS
VALUES FOR DOMESTIC TERRORISM, EARTHQUAKES, AND
CATASTROPHIC INDUSTRIAL ACCIDENTS

The Committee reaffirmed their e-mail votes to file amendments to TRIA and DTEC as proposed by the NCCI Item P-1404 – Terrorism Risk Insurance Extension Act of 2005.

CIRCULAR LETTER 2982 – MARCH 24, 2006 – PAGE 3

The Committee was furnished with an update of the results of the questionnaire sent out to member companies asking what each carrier is charging for TRIA, DTEC, installment fees, what premium discount table is being used and if the short-rate cancellation penalty is being applied. The summary is available to member companies upon request.

ITEM NUMBER 3875 PROFESSIONAL EMPLOYER ORGANIZATIONS (PEOs)

The Committee was furnished with a copy of a letter from the Office of the Commissioner of Insurance extending the review of the proposed Basic Manual Rule relating to PEOs to June 1, 2006. The Committee was also given a copy of proposed Assembly Bill 1056 proposing regulation of the PEO industry, as well as a proposal from the state of Georgia.

ITEM NUMBER 3880 MECHANIZED LOGGING

The Committee was furnished with a copy of proposed Assembly Bill 686. This Bill would permit two or more logging employers to group together to self-insure their worker's compensation liabilities and establish a separate classification for mechanized operations. The Bill has been referred to the Forestry subcommittee and has not been introduced on the floor of the Assembly.

The establishment of class code 2709 - Logging or Lumbering – Mechanized Equipment Operations & Drivers has been approved effective October 1, 2006.

ITEM NUMBER 3863 NCCI PROPOSAL ITEM B-1387 – REVISIONS OF BASIC MANUAL CLASSIFICATIONS

The Committee reaffirmed their e-mail vote to withdraw class code 8864 Social Service Organization – All Employees & Salespersons, Drivers and retain code 8842 Group Homes – all Employees & Salespersons & Drivers. Entities previously classified under code 8837 or 8864 will be assigned the classification(s) that best describes the business of the employer.

ITEM NUMBER 3883 SKIL-TECH, INC.

Skil-Tech, Inc. has appealed the December 6, 2005 Rating Committee decision determining that there was no requirement under either the NCCI Experience Rating Plan Manual or the Unit Statistical Plan Manual for West Bend Mutual Insurance Company to file a correction report on the 1997 claim. A hearing before the Office of the Commissioner of Insurance is scheduled for March 23, 2006.

ITEM NUMBER 3884 ELIMINATION OF CLASS CODE 7371 – TEMPORARY LABOR SERVICE CONTRACTORS

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3885 OCTOBER 1, 2006 RATE REVISION

The Committee was provided a summary of the February 8, 2006 Actuarial Subcommittee meeting. The next Subcommittee meeting is scheduled for May 17, 2006 at which time the ratemaking methodology will be finalized and overall rate revision indications will be provided.

ITEM NUMBER 3886 NCCI PROPOSAL ITEM P-1401 – REVISION OF THE
RURAL ELECTRIFICATION ADMINISTRATION
ENDORSEMENT

With all business complete, this item is removed from the agenda.

ITEM NUMBER 3887 PREMIUM AUDIT RULE

With all business complete, this item is removed from the agenda.

NEW BUSINESS

ITEM NUMBER 3888 NCCI PROPOSAL ITEM B-1399 REVISIONS TO BASIC MANUAL
CLASSIFICATIONS FOR THE AVIATION INDUSTRY

The Committee reviewed NCCI Proposal Item B-1399 and suggested a revision to the proposal to include a transition program. The revised filing will be forwarded to the Committee for their review and e-mail vote.

The next Rating Committee meeting is scheduled for Thursday, May 18, 2006 immediately following the Annual Meeting.

Donna Knepper
Executive Secretary